

SLC Turnberry Limited

Report and Financial Statements

31 December 2002

SL 177810



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COMPANIES HOUSE

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11/02/04

Registered No: SC177810

Directors

T W Darnall

M P Wale

S Selbie

R L Scott

Secretary

J Grime

Auditors

Ernst & Young LLP

1 More London Place

London SE1 2AF

Registered Office

Turnberry Hotel

Ayrshire KA26 9LT

Directors' report

The directors present their annual report on the affairs of the company together with the financial statements and auditors' report for the year ended 31 December 2002.

Results and dividends

The audited financial statements for the year ended 31 December 2002 are set out on pages 7 to 20. The profit for the year after taxation was £842,000 (2001 – loss of £1,904,000).

The directors do not recommend payment of a dividend (2001 – £nil).

Principal activity and review of the business

The principal activity of the company is the ownership and management of the Westin Turnberry Hotel and associated leisure facilities.

Directors' and their interests

The directors who served during the year were as listed on page 1.

There are no directors' interests in the shares of the company which are required to be disclosed under schedule 7 of the Companies Act 1985.

Supplier payment policy

The company's policy is to settle terms of payment with suppliers when agreeing the terms of each transaction, to ensure that suppliers are made aware of the terms of payment and abide by the terms of payment.

At 31 December 2002, the company had an average of 11 days (2001 – 24 days) purchases outstanding in trade creditors.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees. The company is an equal opportunities employer.

The company recognises the high standards required to ensure the health, safety and welfare of its employees at work, its customers and the general public. Company policies in this regard are regularly reviewed with the objective of ensuring that these standards are achieved.

Employee consultation

The company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various matters affecting the performance of the company. This is achieved through formal and informal meetings.

Directors' report

Auditors

Arthur Andersen resigned as auditors on 31 July 2002 and Ernst & Young LLP were appointed in their place. A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'M. G. G. G.', is written over the printed name 'Director'.

Director

10 FEBRUARY 2004

Statement of directors' responsibilities in respect of the financial statements

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

to the members of SLC Turnberry Limited

We have audited the company's financial statements for the year ended 31 December 2002 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 19. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report

to the members of SLC Turnberry Limited

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
London

10 FEBRUARY 2004

Profit and loss account

for the year ended 31 December 2002

			(Restated)
		2002	2001
	Notes	£000	£000
Turnover	2	13,735	13,160
Cost of sales		(7,964)	(7,735)
Gross profit		5,771	5,425
Administrative expenses		(4,433)	(4,850)
Selling and marketing costs		(1,218)	(1,313)
Operating profit/(loss)	3	120	(738)
Interest payable and similar charges	6	65	(1,166)
Profit/(loss) on ordinary activities before taxation		185	(1,904)
Tax credit on profit/(loss) on ordinary activities	7	657	–
Retained profit/(loss) for the year		842	(1,904)

Statement of total recognised gains and losses

for the year ended 31 December 2002

There are no recognised gains or losses in either year other than those recognised in the profit and loss account.

The results have been derived wholly from continuing operations in both years.

Balance sheet

at 31 December 2002

	Notes	2002 £000	2001 £000
Fixed assets			
Tangible	8	39,379	40,475
Investments	9	3,331	3,331
		<u>42,710</u>	<u>43,806</u>
Current assets			
Stocks	10	754	769
Debtors	11	2,059	1,122
Cash at bank and in hand		1,397	358
		<u>4,210</u>	<u>2,249</u>
Creditors: amounts falling due within one year	12	(11,339)	(11,315)
Net current liabilities		<u>(7,129)</u>	<u>(9,066)</u>
Total assets less current liabilities		<u>35,581</u>	<u>34,740</u>
Creditors: amounts falling due after more than one year	13	(18,462)	(18,463)
Net assets		<u>17,119</u>	<u>16,277</u>
Capital and reserves			
Called-up share capital	14	—	—
Capital reserve	15	18,374	18,374
Profit and loss account	15	(1,255)	(2,097)
Total capital employed		<u>17,119</u>	<u>16,277</u>



Director

10 FEBRUARY 2004

Notes to the financial statements

at 31 December 2002

1. Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK accounting standards.

The company has elected under section 229 of the Companies Act 1985 not to consolidate Nitto World Co., Limited as its inclusion is not material for the purpose of giving a true and fair view as the company does not trade.

In the current year, foreign exchange differences arising from financing arrangements have been included in, and disclosed separately as part of "interest payable and similar charges". The 2001 comparative balances have been restated to reflect the reallocation of a gain of £213,000 from administrative expenses to interest payable and similar charges.

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange of the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate. All exchange differences are included in the profit and loss account.

Statement of cash flows

The company has taken advantage of the exemption afforded by section 228 of the Companies Act 1985 because it is a wholly owned subsidiary of Starwood Hotels & Resorts Inc. which prepares consolidated financial statements which are publicly available. On this basis the company is exempt from the requirement of FRS 1 to present a statement of cash flows.

Related party transactions

As a subsidiary of Starwood Hotels & Resorts Worldwide Inc., the company has taken advantage of the exemption in FRS 8 'Related party disclosures' not to disclose transactions with other members of the group headed by Starwood Hotels & Resorts Worldwide Inc.

Tangible fixed assets

Tangible fixed assets are stated at cost net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over its expected useful life, as follows:

Freehold buildings	–	40 years
Plant and equipment	–	2 to 20 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Investments

Fixed asset investments are shown at cost less provision for impairment.

Stocks

Stocks are stated at the lower of cost and net realisable value. Provision is made for obsolete, slow-moving or defective items where appropriate.

Notes to the financial statements

at 31 December 2002

1. Accounting policies (continued)

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Leases

Rentals under operating leases are charged on a straight line basis over the lease term, even if the payments are not made on such a basis.

Pension schemes

For defined benefit schemes the amounts charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from that cost. The regular cost is calculated so that it represents a substantially level percentage of current and future payroll. Variations from regular cost are charged or credited to the profit and loss account as a constant percentage of payroll over the estimated average remaining working life of scheme members.

Defined benefit schemes are either externally funded, with the assets of the scheme held separately from those of the group in separate trustee administered funds, or are unfunded. Differences between amounts charged to the profit and loss account and amounts funded or paid directly to members of unfunded schemes are shown as either provisions or prepayments in the balance sheet.

2. Turnover

Turnover comprises amounts derived from the provision of goods and services falling within the company's ordinary activities after deduction of value added tax, other sales related taxes and trade discounts and arises solely from the company's principal activity within the United Kingdom.

Notes to the financial statements

at 31 December 2002

3. Operating profit/(loss)

This is stated after charging/(crediting):

	<i>2002</i>	<i>2001</i>
	<i>£000</i>	<i>£000</i>
Depreciation	1,639	1,310
Auditors' remuneration – audit services	29	26
– non-audit services	–	10
Staff costs (note 5)	5,238	4,817
Hire of plant and machinery – under operating leases	53	96
Rental income	(37)	(46)
	<u> </u>	<u> </u>

4. Directors' emoluments

The remuneration of the directors was as follows:

	<i>2002</i>	<i>2001</i>
	<i>£000</i>	<i>£000</i>
Emoluments	142	149
	<u> </u>	<u> </u>

Pensions:

The number of directors who were members of pension schemes was as follows:

	<i>2002</i>	<i>2001</i>
	<i>No.</i>	<i>No.</i>
Defined benefit schemes	1	1
	<u> </u>	<u> </u>

5. Staff costs

Particulars of employees are as shown below:

	<i>2002</i>	<i>2001</i>
	<i>£000</i>	<i>£000</i>
Employee costs during the year amounted to:		
Wages and salaries	4,814	4,408
Social security costs	321	311
Other pension costs	103	98
	<u> </u>	<u> </u>
	5,238	4,817
	<u> </u>	<u> </u>

The average monthly number of persons employed by the company during the year was 333 (2001 – 315).

Notes to the financial statements

at 31 December 2002

6. Interest payable and similar charges

	<i>(Restated)</i>	
	2002	2001
	£000	£000
Bank interest	–	4
On intercompany loans (note 13)	667	652
On promissory note (note 13)	698	723
Foreign exchange gain on loan from Starwood Finance Ireland Limited	(1,430)	(213)
	<u>(65)</u>	<u>1,166</u>

7. Tax

(a) Tax credit on profit/(loss) on ordinary activities

	2002	2001
	£000	£000
<i>Current tax:</i>		
Group relief receivable	(657)	–
Tax credit on profit/(loss) on ordinary activities (note 7(b))	<u>(657)</u>	<u>–</u>

(b) Factors affecting current tax credit

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2001 – 30%). The differences are reconciled below:

	2002	2001
	£000	£000
Profit/(loss) on ordinary activities before tax	185	(1,904)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30%	56	(571)
Expenses not deductible for tax purposes	30	23
Accelerated capital allowances	(225)	(358)
Other timing differences	30	210
Brought forward losses surrendered for group relief	(560)	–
Losses carried forward	12	696
Current tax credit for the year (note 7(a))	<u>(657)</u>	<u>–</u>

Notes to the financial statements

at 31 December 2002

7. Tax (continued)

(c) Factors affecting future tax charges

The company does not expect there to be any significant factors that may affect its future tax charges.

(d) Deferred tax

Deferred tax is provided at 30% (2001 – 30%) in the financial statements as follows:

	2002 £000	2001 £000
Accelerated capital allowances	4,649	4,424
Other timing differences	(1,382)	(1,352)
Brought forward trading losses	(3,267)	(3,072)
	<u> </u>	<u> </u>
	–	–
	<u> </u>	<u> </u>

The company has trading losses carried forward resulting in a deferred tax asset of £983,000 (2001 – £984,000). This is not recognised as there is no certainty of suitable taxable profits in the future against which the losses can be offset.

8. Tangible fixed assets

The movement in the year was as follows:

	<i>Freehold land, and buildings</i> £000	<i>Plant and equipment</i> £000	<i>Total</i> £000
Cost:			
At 1 January 2002	40,494	4,198	44,692
Additions	420	123	543
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2002	40,914	4,321	45,235
Depreciation:			
At 1 January 2002	3,178	1,039	4,217
Charge for the year	1,065	574	1,639
	<u> </u>	<u> </u>	<u> </u>
Total	4,243	1,613	5,856
	<u> </u>	<u> </u>	<u> </u>
Net book value:			
At 31 December 2002	36,671	2,708	39,379
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2001	37,316	3,159	40,475
	<u> </u>	<u> </u>	<u> </u>

Notes to the financial statements

at 31 December 2002

9. Investments

The following are included in the net book value of fixed asset investments:

	2002 £000	2001 £000
Subsidiary undertakings	3,331	3,331

The above investment represents the company's investment in the following subsidiary undertaking:

	<i>Country of registration</i>	<i>Principal activity</i>	<i>Description and proportion of shares held</i>
Nitto World Co., Limited	England	Non-trading	100% ordinary share capital

10. Stocks

The following are included in stocks:

	2002 £000	2001 £000
Glass, crockery and silverware	205	208
Food and beverage	92	33
Goods held for resale	419	498
Other	38	30
	<u>754</u>	<u>769</u>

The directors consider that there is no significant difference between the balance sheet value and the replacement cost of stocks at the balance sheet date.

11. Debtors

	2002 £000	2001 £000
Amounts falling due within one year:		
Trade debtors	1,018	933
Amounts owed by other group undertakings	657	—
Prepayments and accrued income	174	136
Other debtors	210	53
	<u>2,059</u>	<u>1,122</u>

Notes to the financial statements

at 31 December 2002

12. Creditors: amounts falling due within one year

	2002 £000	2001 £000
Trade creditors	266	591
Amounts owed to other group undertakings	9,891	9,107
Accruals and deferred income	979	988
VAT	203	83
Intercompany loan (note 13)	–	546
	<u>11,339</u>	<u>11,315</u>

13. Creditors: amounts falling due after more than one year

The following amounts are included in creditors falling due after more than one year:

	2002 £000	2001 £000
Intercompany loans	11,985	11,119
Promissory note	6,477	7,344
	<u>18,462</u>	<u>18,463</u>

Interest on the promissory note is charged at 10% per annum. Intercompany loans represents a non-interest bearing loan of £2,000,000 (2001 – £2,000,000) from Sheraton Hotels (England) Limited, a loan of £9,665,000 (2001 – £9,119,000) from Sheraton Hotels (UK) plc and a loan of £320,000 (2001 – £nil) from Starwood Finance Ireland Limited. Interest on the loan from Sheraton Hotels (UK) plc is charged at libor plus an additional variable margin of 1.36%, and at 31 December 2002 the interest was 5.37% (2001 – 6.25%). Interest on the loan from Starwood Finance Ireland Limited is charged at 5.97%.

The loan from Sheraton Hotels (England) Limited ('SHEL') has no fixed repayment terms or maturity date although SHEL have confirmed that repayment will not be for at least one year. Repayments are made when funds are available and as a result this loan has been included within intercompany loans due after five years.

Borrowings are repayable as follows:

	2002 £000	2001 £000
Promissory note:		
Between two and five years	6,477	7,344
Intercompany loans:		
Between one and two years	320	546
Between two and five years	–	1,639
After five years	11,665	8,934
	<u>11,985</u>	<u>11,119</u>
On demand or within one year	–	546
	<u>11,985</u>	<u>11,665</u>

Notes to the financial statements

at 31 December 2002

14. Share capital

	2002	2001
<i>Authorised</i>	£	£
2 ordinary shares of £1 each	2	2
	<u> </u>	<u> </u>
<i>Allotted, called up and fully paid</i>	£	£
2 ordinary shares of £1 each	2	2
	<u> </u>	<u> </u>

15. Reconciliation of shareholders' funds and movements on reserves

	<i>Share capital £000</i>	<i>Capital reserve £000</i>	<i>Profit and loss account £000</i>	<i>Total share- holders' funds £000</i>
At 1 January 2001	–	17,574	(193)	17,381
Loss for the year	–	–	(1,904)	(1,904)
Additional paid in capital	–	800	–	800
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2001	–	18,374	(2,097)	16,277
Profit for the year	–	–	842	842
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2002	–	18,374	(1,255)	17,119
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The additional paid in capital in 2001 represents amounts received from Sheraton Hotels (England) Limited.

16. Capital commitments

At the end of the year, capital commitments were:

	2002	2001
	£000	£000
Contracted for but not provided for	–	83
	<u> </u>	<u> </u>

Notes to the financial statements

at 31 December 2002

17. Pension commitments

The company provides pension arrangements for certain permanent employees through the Turnberry Hotel Pension Scheme. The scheme is a funded defined benefit scheme based on final pensionable pay and the related cost and asset are assessed in accordance with the advice of professionally qualified actuaries.

The most recent valuation was conducted at 31 December 2000 using the attained age method. The main assumptions are as follows:

Rate of interest (% per annum)	–	6.5
Rate of increase in salaries (% per annum)	–	4.5
Rate of increase in pensions payments (% per annum)	–	3.0

The pension charge for the year was £103,000 (2001 – £98,000).

Market value of scheme's assets (£000)	3,512
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Level of funding, being the actuarial value of assets expressed as a percentage of the benefits accrued to members, after allowing for future salary increases

113.9%

The company is currently contributing 17.4% of scheme pay. This contribution rate is at present subject to review.

FRS17 disclosures

The actuarial valuation described above has been updated at 31 December 2002 by a qualified actuary using revised assumptions that are consistent with the requirements of FRS 17.

The major assumptions used for the actuarial valuation (in nominal terms) were:

	<i>At</i> <i>31 December</i> <i>2002</i> <i>%</i>	<i>At</i> <i>31 December</i> <i>2001</i> <i>%</i>
Rate of increase in salaries	3.50	4.00
Rate of increase in pensions in payment	2.25	2.50
Discount rate	5.50	6.00
Inflation assumption	2.25	2.50

Notes to the financial statements

at 31 December 2002

17. Pension commitments (continued)

The fair value of the assets in the scheme, the present value of the liabilities in the scheme and the expected rate of return at the balance sheet date were:

	<i>At</i> <i>31 December</i>		<i>At</i> <i>31 December</i>	
		<i>2002</i>		<i>2001</i>
	<i>%</i>	<i>£000</i>	<i>%</i>	<i>£000</i>
Equities	6.50	1,860	7.50	2,466
Bonds	5.00	723	5.50	436
Cash	4.00	(5)	4.00	49
Property	6.50	—	7.50	117
		<hr/>		<hr/>
Total fair value of assets		2,578		3,068
Present value of scheme liabilities		(3,240)		(3,170)
		<hr/>		<hr/>
Pension liability before deferred tax		(662)		(102)
Related deferred tax liability		—		—
		<hr/>		<hr/>
Net pension liability		(662)		(102)
		<hr/>		<hr/>

An analysis of the defined benefit cost for the year ended 31 December 2002 is as follows:

	<i>£000</i>
Current service cost	59
Past service cost	—
	<hr/>
Total operating charge	59
	<hr/>
	<i>£000</i>
Expected return on pension scheme assets	218
Interest on pension scheme liabilities	(188)
	<hr/>
Total other finance income	30
	<hr/>
Actual return less expected return on assets	(652)
Experience gains and losses on scheme liabilities	201
Loss arising from changes in assumptions underlying the present value of scheme liabilities	(164)
	<hr/>
Actuarial loss recognised in the statement of total recognised gains and losses	(615)
	<hr/>

Notes to the financial statements

at 31 December 2002

17. Pension commitments (continued)

Analysis of movements in deficit during the year:

	<i>£000</i>
At 1 January 2002	(102)
Total operating charge	(59)
Contributions	84
Net return on assets	30
Actuarial loss	(615)
At 31 December 2002	(662)

History of experience gains and losses

	<i>2002</i>
Difference between expected and actual return on scheme assets:	
Amount (£000)	(652)
Percentage of scheme assets	(25%)
Experience gains and losses on scheme liabilities:	
Amount (£000)	201
Percentage of scheme liabilities	6%
Total amount recognised in statement of total recognised gains and losses:	
Amount (£000)	(615)
Percentage of scheme liabilities	(19%)

Reconciliations of net assets and reserves under FRS 17

	<i>2002</i>	<i>2001</i>
	<i>£000</i>	<i>£000</i>
<i>Net assets</i>		
Net assets as stated in balance sheet	17,119	16,277
FRS 17 defined benefit liabilities	(662)	(102)
Net assets including defined benefit liabilities	16,457	16,175
	<i>2002</i>	<i>2001</i>
	<i>£000</i>	<i>£000</i>
<i>Reserves</i>		
Profit and loss reserve as stated in balance sheet	(1,196)	(2,097)
FRS 17 defined benefit liabilities	(662)	(102)
Profit and loss reserve including amounts relating to defined benefit liabilities	(1,858)	(2,199)

Notes to the financial statements

at 31 December 2002

18. Other financial commitments

The company has entered into non-cancellable leases in respect of property, plant and equipment, the payments for which extend over a period of up to 7 years.

The minimum annual rentals under the foregoing leases are as follows:

	2002	2001
	£000	£000
Operating leases which expire		
– within one year	16	96
– in two to five years	35	–
	<u>51</u>	<u>96</u>

19. Ultimate parent undertaking

The immediate parent undertaking is SLC Operating Limited Partnership.

The smallest and largest group in which the results of SLC Turnberry Limited are consolidated, is that headed by Starwood Hotels and Resorts Worldwide Inc. The consolidated financial statements of this group are available to the public at:

Starwood Hotels and Resorts Worldwide Inc., Investor Relations, 1111 Westchester Avenue, White Plains, NY 10604, USA.